

World Trade Center Site-Wide Property Manager

WTC Redevelopment Subcommittee

May 29, 2013

Overview

Goal

- Retain best-in-class third-party property management firm to:
 - Manage and operate PA assets/interests throughout the WTC
 - Maintain a Class-A standard and enhance customer experience
 - Enhance value to PA and business partners by operating a world-class complex

Services Include:

- Cleaning
 - Repairs & Maintenance
 - Utility Management
 - Grounds Maintenance
 - Administrative Reporting
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- Publicly Advertised Request for Proposals Process

Recommended Awardee

Cushman & Wakefield, Inc. (“C&W”) is the PA’s recommended choice for Board Approval based upon the following:

- Top tier real estate service company
- Demonstrated ability to align with PA’s position on key contract terms
- Proposed pricing
- Committed and experienced team

Site Wide Property Manager (“SWPM”) Areas of Management/Operations/Maintenance

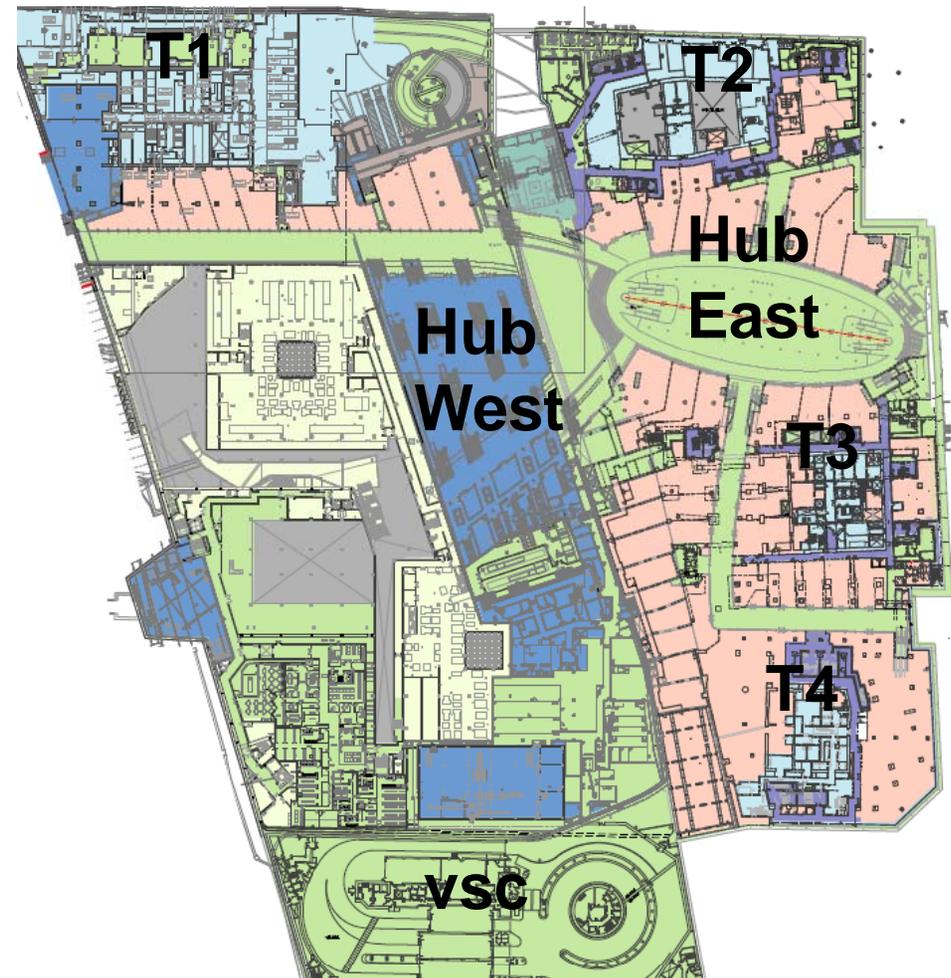
SWPM Managed Infrastructure

- Central Chiller Plant (CCP) / Site Wide MEP Systems
- Primary Electrical Distribution Center (PDC)
- Vehicular Security Center (VSC)
- Property Management Facility (PMF)
- Transportation Hub (outside fare-zone)
- HUB Operations Control Center (HUB OCC)
- Structural elements (slurry wall, slabs, etc.)
- SW Software / Logistics Management

Jointly Managed Infrastructure

Components

- VSC Screening Operations
- Campus Plan / Physical Security Elements
- Site Wide Radio / IT Network



C2 Level

Key Agreement Terms

Term of Agreement

7 years, plus 3, 1-year options at PA's election

Termination

- Termination with cause will be immediate
- Termination without cause:
 - PA will provide at least 90 days written notice
 - Immediate upon payment of 2 months management fee during first 12 months; 1 month fee thereafter

Procurement of Subcontracts

Subcontracted services to be selected through compliance with Procurement Procedures, as approved by the PA

Management Fee

Total Management Fee will be bifurcated into a Base portion and Performance-based portion

Incentives/Penalties

Performance-based portion (20% of Total Management Fee) will be awarded for good performance or withheld as penalty for non-performance, contingent on certain criteria (e.g., responding and completing work orders, accurate budgeting, stakeholder surveys).

Pricing & Budget

Year 1 - Management & Oversight Staff,
Operations & Maintenance Staff, and
Reimbursable Expenses ⁽¹⁾ \$4,752,000

Year 1 - Service Contracts (e.g., cleaning,
R&M, & grounds maintenance) ⁽¹⁾ \$5,076,000

Years 1 – 7 Total Management Fee \$5,500,000

Total Request \$15,328,000

(1) Inclusive of an allowance of up to 8% for extra work, if necessary

Year 1 Total Management Fee

\$400K

Avg. Annual Total Mgmt. Fee

\$786K